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UNCLAS SECTION 01 OF 02 CHENNAI 000772

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SUBJECT: TAMIL NADU ELECTIONS: MANY GIVEAWAYS, BUT NO
RUNAWAY

REF: CHENNAI 0521

1. SUMMARY: (SBU) Free color TVs for all families without one; ten kilograms of free rice through ration shops; two acres of land for the landless; maternity dole for six months to pregnant women; burial allowance for the dead . . . Tamil Nadu political parties' election promises have surpassed all previous records. Recent opinion polling indicates a close contest with marginal advantage to Chief Minister Jayalalithaa's AIADMK-led coalition. While Post' contacts believe that the AIADMK has indeed come a long way from its rout in the 2004 Lok Sabha elections and might emerge the winner, it is still unclear which way the critical undecided voters will swing before the elections on May 8. END SUMMARY.

PROMISES GALORE FROM CRADLE TO GRAVE, LITERALLY

2. (SBU) Competitive populism is running riot in the Tamil Nadu election campaign. In its election manifesto released on March 30, principal opposition party DMK promised that, if elected, they will provide free color television sets to every family that does not have one. Also promised is quality rice at 2 Rupees (4 cents) per kilogram, a maternity dole of 1,000 Rupees (\$21) per month for six months to all pregnant women, free gas stoves to poor families, free power to weavers, cancellation of farm loans, and even a \$21 allowance for the burial rites of the dead. Brushing aside doubts on the feasibility of some of these commitments, DMK President Karunanidhi declared in campaign stops that the rice subsidy would be the first executive order he would sign as Chief Minister, and that cheap TV sets would be imported from China to meet the demand.

3. (SBU) In making these offers, the opposition is stealing a page from the strategy Chief Minister Jayalalithaa has used to recover from her party's rout in the 2004 Lok Sabha election. For example, since 2004 Jayalalithaa has distributed 614,000 bicycles to students at a cost of \$24 million, given away flood relief assistance to 3.4 million families totaling \$128 million, and, each year, distributed free sarees to 11 million women and dhotis (traditional loincloths) to 11 million men. With the DMK threatening to eclipse her largesse with the rosy promises in its manifesto, she upped the ante, offering 10 kilograms of free rice to all eligible families. This came as an after-thought (or perhaps a

counter punch in the rice giveaway war) much after the AIADMK poll manifesto was released.

¶4. (SBU) Not to be left behind, actor and new political entrant Vijayakant of the DMDK party has promised 15 kilograms of rice absolutely free.

CAMPAIGNING IN FULL SWING; BOTH SIDES CLAIM LEAD

¶5. (SBU) Tamil Nadu's two major coalitions, the DMK-Congress-Left-PMK coalition and the AIADMK-MDMK-Dalit Panthers coalition (Reftel), are campaigning intensively in the districts. Officials of Chief Minister Jayalalithaa's entourage told Post that her tour in southern Tamil Nadu is drawing enthusiastic response. "She is doing very well," said a senior Intelligence officer of the state police accompanying her, adding that her party remains "very optimistic" after seeing large crowds thronging street-side meetings. Meanwhile, DMK Member of Parliament Shanmugasundaram told Post the DMK-led coalition would win over 180 seats in the 234-member assembly. "It is not for rice alone that people would vote for us, although Jayalalithaa seems to believe so," he said. He believes that the numerical strength of the DMK coalition is the key factor.

¶6. (SBU) Outside the two major coalitions are the loners, the BJP and the DMDK, a new party founded by a film-star turned politician Vijayakant. A senior BJP leader confided to Post that his party will perform miserably, losing many former supporters who will this

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time vote for the AIADMK. Journalists predict that Vijayakant's DMDK party might, however, poll over 5 percent of the votes, drawing supporters away from both the DMK and the AIADMK.

SLUGFEST: VAIKO TAKES CHARGE OF OFFENSIVE

¶7. (SBU) Vaiko, star campaigner and General Secretary of the MDMK party, has turned out to be a prize catch for Jayalalithaa. After leaving the DMK Front and joining hands with Jayalalithaa, he has added much firepower to her coalition, even though the actual votes he brings to the table may be less than 5 percent. In well-attended public meetings and TV appearances, he sharply attacks Karunanidhi's nepotism, particularly the promoting of his son Stalin and his grand-nephew Union Minister Dayanithi Maran. Post contacts agree that M.K. Stalin, waiting in the wings to succeed Karunanidhi, remains unpopular with the Tamil masses. Vaiko also attacks Dayanithi Maran for alleged unethical support to the wealthy family business, the Sun TV Network.

TOO CLOSE TO CALL, SAY POLLSTERS

¶8. (SBU) Polling 4781 voters in 58 Tamil Nadu assembly constituencies between April 1-7, the Center for the Study of Developing Societies (CSDS) predicted a 46 percent vote share for the AIADMK alliance and 44 percent to the DMK Front. The poll, sponsored by Tamil Nadu's most respected leftist newspaper, The Hindu, along with CNN-IBN news channel, indicated that the race is too close to call, as the 2 percent lead is well within the margin of error. Another caveat of the pollsters was Tamil Nadu's history of late voter swings. The poll noted that significant numbers of

voters remain undecided. According to The Hindu, one of the key findings is that "no single party is likely to win a majority of the 234 assembly seats." If no party wins a clear majority, Tamil Nadu will find itself with a coalition government for the first time in the state's history.

DEFT MOVES HELP JAYA OVERCOME 2004 DEBACLE

¶9. (SBU) Post's independent contacts generally agree that the AIADMK has come a long way from the total rout it faced in 2004 Lok Sabha elections. A good number of them now anticipate that her coalition will eventually emerge the winner. Jayalalithaa's deft moves after 2004, such as the repeal of the controversial 2002 "Anti-Religious Conversion law" helped the image makeover. [Although the technical legal validity of the of the repeal ordinance is questioned, the anti-conversion law remains practically dead in the state with no case ever registered under its provisions.]

THE LOSER: TAMIL NADU'S FISCAL HEALTH

¶10. (SBU) COMMENT: The question remains whether Chief Minister Jayalalithaa's largesse during the past two years has curried enough favor with voters to defeat the apparent numerical strength of the DMK-Congress-Left-PMK coalition. Given Tamil Nadu's history of late vote swings, much will depend on the course of the campaign over the next two weeks. Whoever wins, the loser could be the state's fiscal health. Already with an estimated fiscal deficit of 54.41 billion Rupees (\$1.21 billion) in FY 2005-06, the promised additional subsidies will hamper needed investment in infrastructure. For obvious political reasons, the Center, particularly Finance Minister Chidambaram who is from Tamil Nadu, has tacitly endorsed the outrageous promises, demonstrating once again that government officials are politicians first. END COMMENT.

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